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January 5, 2005

Ms. Darlene Standley, Chief
Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Tennessee Wastewater Systems, Inc.'s Petition to Amend Certificate of Public Convenience and Necessity to provide wastewater utility services (Docket No. 04-00393) Huffines Development – request for information.

Dear Ms. Standley:

Tennessee Wastewater Systems, Inc. provides the following information per your request dated December 28, 2004.

1. Please provide the engineering and construction plans for the proposed area including number of customers to be served.

Huffines Development will be served by a watertight effluent collection system, connecting 45 homes to a fixed film bioreactor treatment system and subsurface drip disposal system. The engineering specifications for this wastewater treatment system are the same as for the 20+ systems that Tennessee Wastewater is operating that are serving subdivisions in Tennessee.

Once the design is approved by the state of Tennessee Department of Environment, Division of Water Pollution Control, the system will be constructed by an experienced contractor. The construction work will be inspected by Tennessee Wastewater to insure that specifications are met.

2. Please provide a detailed estimate of the cost of construction of the system

Without a completed and approved design, the best-cost estimate that can be obtained is based on other systems of similar design. The cost of the collection system is layout dependant. An estimate based on proposed lot layouts and site topography is \$40,000. An estimate of cost for the fixed film treatment system

based on the number of homes is \$110,000. Based on expected flow of effluent, the drip disposal system should cost \$44,000. It is expected that one pump station will be needed at a cost of \$25,000, but that is subject to change. The total cost estimate based on the above information is \$219,000.

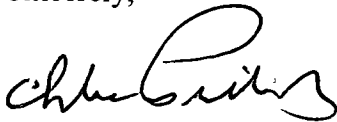
3. Please provide the projected number of customers for the first five years.

The build out of a development is based on a lot of variables. Three of the most important are the location of the development, the price of the lots, and the marketing skills of the developer. Based on our knowledge of the development we expect the following build out rate:

2005 – 0
2006 – 10
2007 – 20
2008 – 15
2009 – 0

Due to the normal construction time to develop the subdivision in infrastructure, no lots will be ready for home construction until late 2005. Some homes will be completely constructed in 2006 but only 10 will likely be occupied.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Pickney, Jr.", with a stylized, cursive script.

Charles Pickney, Jr.
Tennessee Wastewater Systems, Inc.